

For: State Offices

Verifying and Correcting Retirement Service Computation Dates (SCD's) of FERS Employees

Approved by: Acting Deputy Administrator, Management



1 Overview

A

Background

OHRM, in an effort to have uniform service crediting throughout the Department, is requiring that FERS employees shall not receive credit for military service or nondeduction civilian service in their retirement SCD unless the applicable deposit has been paid.

The Department makes this decision based on:

- SCD will lull the employee into assuming that he or she is entitled to service credit
 - increasing deposit amounts
 - higher interest rates.
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Purpose

This notice:

- notifies State Offices that, effective immediately, retirement service credit will be given for military service or nondeduction civilian service only after the applicable deposit has been paid
 - instructs State Offices on OPF/SCD review.
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Disposal Date

July 1, 2000

Distribution

State Offices

Notice PM-2160

1 Overview (Continued)

C

State Office Action

State Offices shall:

- review OPF's and identify County Office FERS employees with military or nondeduction service

Note: State Offices operating with Combined Administrative Management Systems should identify both Federal and County Office FERS employees with military or nondeduction service.

- notify affected FERS employees and offer opportunity and instructions on how to make deposit
 - deduct from the retirement SCD all service credit for which deposits are not made.
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SCD's and Employees Not Affected by This Notice

The following are **not** affected by this notice:

- Leave and Reduction-in-Force (RIF) SCD's
- Federal and County Office CSRS employees.

Note: Although it is not required to review CSRS employees' service, it is recommended that State Offices review all employees' SCD's and notify CSRS employees of any deposit service.

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Contacts

If there are questions about this notice, contact any of the following:

- Susan Brown at 202-418-9039
 - Darla Hensley at 202-418-9021
 - TDD at 202-418-9116.
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2 Retirement Service Computation Dates

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Creditable Service

Employees covered under FERS **must** purchase their temporary and military service or they receive no service credit for retirement eligibility or computation. It is as if it never occurred.

Note: Nondeduction service after December 30, 1988, is never creditable in a FERS retirement SCD.

Refer to OPM's CSRS/FERS Handbook for the following rules:

- Chapter 20, Creditable Civilian Service
- Chapter 22, Creditable Military Service.

State Offices may access the CSRS/FERS Handbook at the following website:
<http://www.opm.gov/asd/htm/hod.htm>.

B

Computing SCD's

Refer to 27-PM, Part 7, Section 4, for instructions on computing retirement SCD's.

Note: Although 27-PM was written for County Office employees, the computation rules are the same for Federal employees and may be used to compute Federal SCD's.

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Deposit and Interest Amounts

It is the employee's decision to pay deposit and accrued interest.

Note: There is no authority for waiving the interest or for the Agency to pay the interest on behalf of an employee, even if employee claims they were unaware of the deposit requirements. It is always the employee's responsibility to pay the deposits and interest to credit the time to their total service for retirement.

Refer to the CSRS/FERS Handbook for the following instructions:

- Chapter 21 on making civilian deposits and information on how interest is assessed
 - Chapter 23 on making military service credit payments and information on how interest is assessed.
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3 Identifying and Notifying Affected Employees

A

**Identifying
Affected
Employees**

Refer to the following table to identify affected employees.

Step	Action
1	<p>Identify all Federal and County Office employees covered by FERS with any of the following types of service:</p> <ul style="list-style-type: none"> • nondeduction before January 1, 1989 • post-1956 military • nondeduction post December 30, 1988. <p>Note: Employees' with any of these 3 services and a CSRS component will need a determination as to whether the deposit service is creditable under CSRS or FERS rules.</p>
2	<p>Review all SF-50/FSA-50's in employee's OPF for retirement coverage and prior civilian and military service.</p> <p>Note: Most of the OPF review should have been completed when identifying possible Connor cases.</p>
3	Complete FSA-67. See 27-PM, Exhibit 68.
4	<p>For employees with civilian deposit service, submit a Request for Deposit/Redeposit Form (Exhibit 1) to:</p> <p style="padding-left: 40px;">OPM Retirement Operations Section Boyers, PA 16017 FAX: 724-794-4668.</p> <p>The Request for Deposit/Redeposit Form:</p> <ul style="list-style-type: none"> • will provide useful information should the employee request an estimate of the deposit amount • should be filed on the left side of the employee's OPF after receipt from OPM. <p>Note: The Request for Deposit/Redeposit Form may be duplicated from Exhibit 1.</p>

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3 Identifying and Notifying Affected Employees (Continued)

B

Notifying Affected Employees

Refer to the following table to notify affected employees.

Step	Action
1	Notify the employee in writing. See Exhibit 2 for a memorandum example.
2	Include the following with the written notification: <ul style="list-style-type: none">• Deposit Service Decision Form (Exhibit 3)• SF-3108• RI-20-97 (2/99 version), if deposit service is military.
3	Allow the employee 30 calendar days to make a decision.

4 Action Once Employee's Decision Is Received

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If Employee Chooses to Make a Deposit

If the employee chooses to make deposit, the State Office shall:

- review Part A of SF-3108 for accuracy
- complete Part B and certify SF-3108 and forward it to:

Office of Personnel Management
Retirement Operations Center
P.O. Box 45
Boyers, PA 16107-0045
- file the Deposit Service Decision Form in employee's OPF on right side
- file a copy of SF-3108 in employee's OPF on right side
- include the deposit service when computing SCD.

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4 Action Once Employee's Decision Is Received (Continued)

B

If Employee Chooses Not to Make Deposit

If the employee chooses **not** to make deposit:

- file the Deposit Service Decision Form in employee's OPF
 - adjust employees SCD to exclude the deposit service.
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If Employee Has Already Made Deposit

If the employee has already made the necessary deposit, then the employee shall provide the State Office with a receipt or verification. The State Office shall file the receipt or verification on the right side of the employee's OPF. Deposit service should be included when computing retirement SCD.

D

Updates

All SCD adjustments should be completed by **June 30, 2000**.

Refer to Exhibit 4 for screen examples on how to update SCD.

There is no need to update SCD on County Office Individual Retirement Records that were closed out as of October 9, 1999, and forwarded to KCMO.

Request for Deposit/Redeposit

Employee Information

Name: _____

Social Security Number: _____

Date of Birth: _____

Periods of Service		Types and Status of Retirement Deductions							
Beginning Date	Ending Date	None (FICA)	FERS	CSRS Offset	Full CSRS	Withdrawn Contributions		Deposit Redeposit Paid in Full	Partial Payment
						Amount	Date		

Contributions to the Retirement Fund

Deposit and Redeposit

Post 9/82 Redeposit: _____

Pre 10/82 Redeposit: _____

Post 9/82 Deposit: _____

Pre 10/82 Deposit: _____

Retirement Contributions: _____

Military Deposit: _____

Voluntary Contributions: _____

as of _____

OPM

Signature: _____

Title: _____

Date: _____

Total \$ _____

Fax # (724) 794-4668

Agency Name: _____

Address: _____

Telephone # _____

Fax # _____

Example of Memorandum to Notify Affected Employees

TO: Jane Doe
1212 Anywhere Drive
Somewhere, VA 11111-2222

FROM: State Administrative Officer
FSA, State Office
State Office Address

SUBJECT: Deposit Requirement for FERS Retirement Service Computation Date (SCD)

Background As part of a Department initiative, the State Office has conducted a review of the Official Personnel Files (OPF) of all FERS employees to determine whether they have service included in their Retirement Service Computation Date (RET-SCD) for which a mandatory deposit is required to receive retirement credit. **Your OPF shows you have such deposit service.** Deposit service includes:

(Include only the service that applies.)

- Nondeduction service performed before January 1, 1989. This is any temporary employment (that is, Intermittent, Peace Corps, Summer) with the Federal Government where retirement deductions were not withheld from your salary. Temporary service on and after January 1, 1989, is not creditable for retirement purposes.
 - Refunded service includes any previous service which was covered by the Civil Service Retirement System (CSRS) and for which a refund was taken after a separation occurred. Refunded FERS service cannot be repaid and the service is not creditable.
 - Post-56 military service is any honorable active duty military service performed after December 31, 1956. Military deposit is based on earnings during the military service which are obtained from the military finance office.
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Purpose The purpose of this memorandum is to advise you that you have service which will not be included in your retirement SCD unless the necessary deposit/redeposit is paid, and to provide you with the form necessary to make the deposit.

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Example of Memorandum to Notify Affected Employees (Continued)

Options

- Submit application for deposit amount now and pay the deposit now. The service will be counted towards total years of service and be used in computing your retirement benefits.
 - Decide later, before retirement, to pay the deposit plus accrued interest and receive credit for the service. Interest will accrue on the unpaid deposit until it is paid in full. The service will be eliminated from your RET-SCD until deposit is made.
 - Choose not to pay the deposit and have the service eliminated from your RET-SCD. The service will not be counted towards total years of service or be used in computing your retirement benefits.
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Employee Action

You **must** notify the State Office in writing within 30 calendar days from the date of this memorandum of your decision regarding the required deposit. You may use the attached Deposit Service Decision Form for this notification. **Your failure to reply in writing by the deadline will be considered as your decision not to make your deposit and your RET-SCD will be corrected to remove any deposit service.**

If you elect to make the necessary deposit, you should read and complete the attached SF-3108. Return it along with your Deposit Service Decision Form to:

(State Office Address).

The State Office will certify the SF-3108 and forward it to the Office of Personnel Management (OPM) for processing. OPM will calculate the amount of the deposit due, plus interest, and send you a notification with payment instructions. This process normally takes 3 to 6 months to complete.

Contact

If you have any questions about this memorandum, please contact (list State Office contact and telephone number).

Attachments

Deposit Service Decision Form
SF-3108, Application to Make Service Credit Payment for Civilian Service
RI 20-97, Estimated Earnings During Military Service

Deposit Service Decision Form

TO: Administrative Officer
FSA, State Office

SUBJECT: Deposit Service Decision

According to your memorandum about deposit required for retirement credit, my decision is indicated below:

_____ **I elect to apply** to make the deposit required to receive retirement credit for nondeduction/refunded/military service. Attached is my application for deposit service credit. Please complete Agency certification and forward to OPM/NFC for processing. **I agree to notify State Office when I have completed payment of said deposit.**

_____ **I elect not to make** the deposit required for retirement credit for nondeduction/refunded/military service. I understand that this service will be removed from my retirement SCD and that it will not be used in computing my retirement benefits unless I later pay the necessary deposit plus accrued interest.

Signature

Date

File on Right Side of OPF

Example of Screens for Updating Retirement SCD

Screen 1

				02/07/00	PP00001M
				MONDAY	
NNNNNNNN	FFFFFFFF	CCCCCCCC	SSSSSSSS		
NN NN	FF FF	CC	SS	(PF5 =HELP)	
NNNNNNNN	FFFFFFFF	CC	SS	(CLR =EXIT)	
NN	FF FF	CC	SS		
NN	FF FF	CCCCCCCC	SS		

----->FOR AUTHORIZED USE ONLY<-----

U. S. DEPARTMENT OF AGRICULTURE
OFM - NATIONAL FINANCE CENTER
PERSONNEL ACTION PROCESSING SYSTEM

SSNO _____ DEPT/AGCY AG fa POI 4881 EFF PAY PERIOD 03
AUTH DATE 02 07 00 FUNCTION A OPER INITIALS SCB
UPDATE ACTION CODE (Y OR N) Y NEXT DOCUMENT _____

1ST NOA CODE _____ 1A AUTH CODE _____ 1B AUTH CODE _____
2ND NOA CODE _____ 2A AUTH CODE _____ 2B AUTH CODE _____

FUNCTION CODES - A=ADD C=CHANGE Q=QUERY D=DELETE

DC904861 AGCY CODE AND POI NOT COMPATIBLE

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Example of Screens for Updating Retirement SCD (Continued)

Screen 2

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PP60001M          ADD UPDATE ACTION                      02/07/00
                                                         (PF1=MENU)
SSNO _____ DEPT/AGCY AG FA POI 4881 EFF PAY PERIOD 03 (PF5=HELP)
AUTH DATE 02 07 00 FUNCTION A OPER INIT SCB             (CLR=EXIT)
1ST NOA CODE ____ 1A AUTH CODE ____ 1B AUTH CODE ____
2ND NOA CODE ____ 2A AUTH CODE ____ 2B AUTH CODE ____
*****
NAME LAST BROWN          FIRST SUSAN          MIDDLE C
EDUCATIONAL LEVEL ____ YEAR DEG/CERT RECEIVED ____ CITIZENSHIP STATUS ____
INSTRUCTIONAL PROGRAM ____ TSP ELIGIBILITY CODE ____ SCD TSP ____
SCD RIF ____ SCD WGI ____ FEGLI COVERAGE AMOUNT ____
APPOINTMENT LIMITATIONS FULL DOLLARS ____ HOURS ____ DAYS ____
APPOINTMENT LIMITATIONS BALANCE DOLLARS ____ HOURS ____ DAYS ____
COMMENCING DATE OF SERVICE YEAR ____ PROB PERIOD START DATE ____
GRADE RETENTION EXP DATE ____ CAREER TENURE DATE ____
SPVR/MGRL PROB PERIOD STARTING DATE ____ ANNUAL LEAVE CATEGORY ____
ANNUAL LEAVE CODE 45 DAY ____ RNO CODE ____ HANDICAP CODE ____ SPEC EMP PGM CODE ____
SPECIAL EMPLOYEE CODE ____ COOP SHARE AMT ____ ANNUITANT SHARE AMT ____
SALARY SHARE CODE ____ QUARTERS DEDUCT AMOUNT ____ QUARTERS DEDUCTION CODE ____
COLA/POST DIFFERENTIAL CODE ____ UNIFORM SERVICE COMPONENT ____ FROZEN SERV ____
CREDITABLE MILITARY SERVICE ____ DATE RETIRED MILITARY SERVICE ____
SCD RETIREMENT 09 21 89 AGENCY USE ____ TRVL-ALLOW ____
                                                         STATUS r
DC904874 KEY IN REQUIRED FIELDS AND PRESS ENTER TO ADD DOCUMENT

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